

**COMMONWEALTH OF MASSACHUSETTS  
GROUP INSURANCE COMMISSION**

*Fiscal Year 2011 Annual Report*

***“Boldly Going Where  
No Health Care  
Purchaser  
Has Gone  
Before”***



**Commonwealth of Massachusetts  
Group Insurance Commission**

*Your  
Benefits  
Connection*

## THE GROUP INSURANCE COMMISSION

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The mission of the Group Insurance Commission (GIC) is to provide high-value health insurance and other benefits to state and certain authority employees, retirees, and their survivors and dependents. The GIC also provides health-only benefits to participating municipalities. The agency works with vendors selected through competitive bidding to offer cost-effective services through careful plan design and rigorous ongoing management. The agency's performance goals are providing affordable, high quality benefits and as the largest employer purchaser of health insurance in the Commonwealth, using that position to drive improvements in the health care system.

The GIC offers the following benefit programs:

- ◆ A diverse array of health insurance options
- ◆ Term life insurance
- ◆ Long Term Disability (LTD) insurance
- ◆ Dental/Vision coverage for managers, legislators, legislative staff and certain Executive Branch employees
- ◆ Dental coverage for retirees
- ◆ Discount vision program for retirees
- ◆ Health Care Spending Account (HCSA)
- ◆ Dependent Care Assistance Program (DCAP)



Dear Friends:

Although I am not really a true “Trekkie,” the themes from Star Trek are relevant to our fiscal year 2011 and some of our plans have adopted Trek-speak. One of our health plans calls its corporation “The Enterprise” and another refers to its systems hub as “The Enterprise.” For the GIC, it is for sure we boldly went where no health care purchaser had been before. And, amazingly, we did it with slightly more than a 50-member crew.

Our major undertaking for the year was to require over 78,000 state employees to actively evaluate their health insurance options and to re-enroll during annual enrollment. To encourage employees to consider a limited network plan that offers the same benefits as its wider network counterparts, but with fewer health care providers, we gave employees who chose those plans a three-month premium holiday. The results were outstanding and better than anticipated, with over 99% of employees re-enrolling and over 30% of these employees enrolling in a limited network plan, which saved both them and the Commonwealth money.

In between the re-enrollment, we added over 3,000 new members from the City of Lawrence, as well as additional members from the state’s county reform and transportation consolidation initiatives. Determining options and costs and making corresponding policy decisions for implementing federal health reform and mental health parity made us channel Captain Jean-Luc Picard, who said, “Things are only impossible until they are not.”

We hope that as you read this annual report, which provides more details on these initiatives and challenges, you will conclude that the GIC has epitomized public service at its best, serving our members and the taxpayers of the Commonwealth well. We look forward to continuing to boldly go to the next unexplored territory.

Very truly yours,

Dolores L. Mitchell  
Executive Director



## SECOND STAR TO THE RIGHT ...AND STRAIGHT ON 'TIL MORNING

### Health Insurance Re-enrollment and Premium Holiday Saves Millions

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In early winter 2011, the Group Insurance Commission and all state agencies began looking ahead to the upcoming fiscal year. The Commonwealth of Massachusetts was facing a fiscal year 2012 budget crunch like every other state: losses in federal stimulus funds and expanding health care costs posed more formidable budget challenges than had been seen before. The GIC had already increased costs to enrollees during fiscal year 2010. Copays and premium percentages paid had been increased and a new, and unpopular, calendar year deductible had been instituted. Since 2004, employees have paid tiered copays for doctors and hospitals based on quality and/or cost efficiency – an early model of “value-based purchasing” which has become the goal of most forward-looking purchasers. An expected influx of 2,000 additional employees from the newly consolidated transportation department would further increase the cost pressures for the fiscal year.

In July 2010 the GIC had introduced two more limited network health plan options with the same benefits as the more expensive health plans, but with fewer providers. On average, the GIC’s limited network plans, which include HMO options, cost 20% less than the wider network options. However, relatively few people had enrolled in these plans. During the spring 2010 annual enrollment, only 2.3% of employees had switched health plans. How could the Commission encourage more employees to consider these limited network plans, which would save them as well as the Commonwealth money?

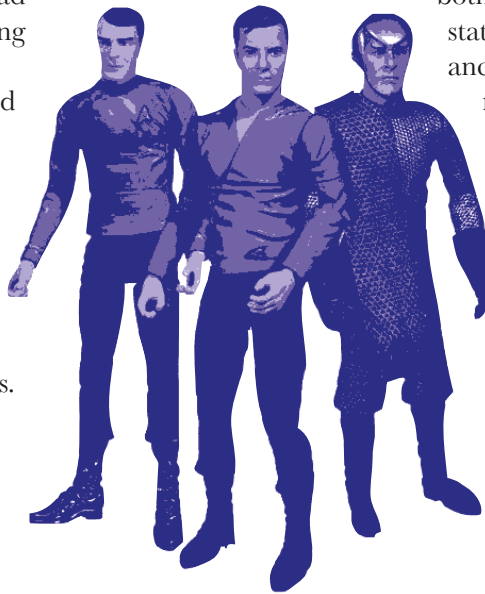
In January of 2011, Governor Deval Patrick posed a challenge to the Commission and other state agencies – come up with creative solutions to meeting flat or, in most cases, reduced spending levels for the fiscal year that would begin July 1, 2011. There was little appetite for additional cost shifting to employees. The Commission’s decision was

both innovative and challenging: require all state employees to re-enroll in health insurance and give them an incentive – three months of free health insurance premiums—for choosing a limited network plan. (Retirees, non-Massachusetts residents, and municipal members would be exempt from this requirement and incentive.)

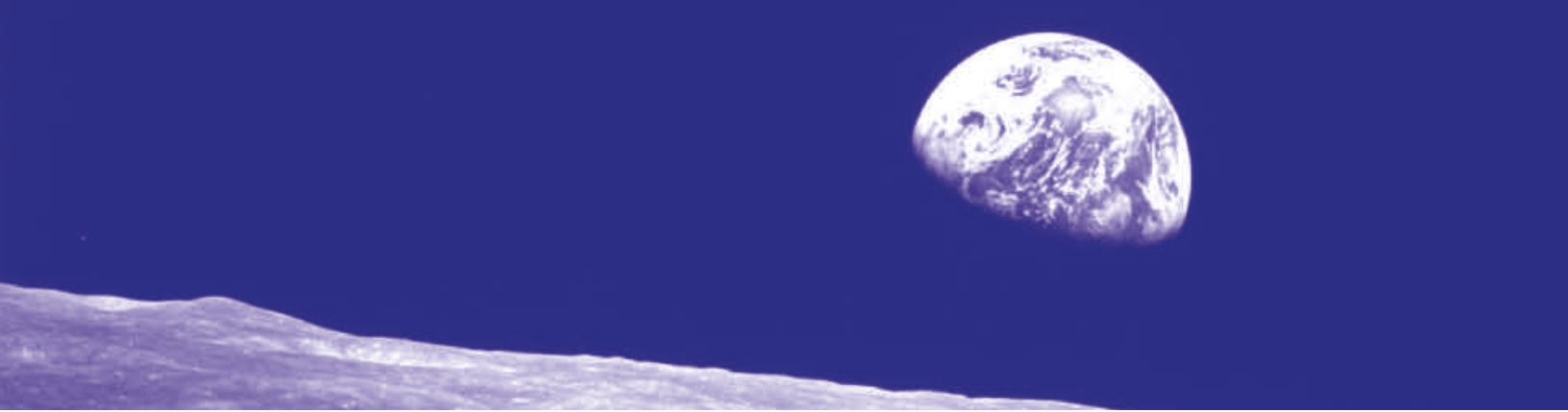
Under Massachusetts Health Reform, state residents must have health insurance. It would be critical that all employees be aware of the re-enrollment requirement and to ensure that all employees had coverage after the re-enrollment. The Commission determined that any employee who failed to

re-enroll in health insurance would be defaulted to the lowest cost statewide health plan. These employees would not be eligible for the premium holiday.

Due to the disparate nature of the state’s workforce, only one third of employees had access to the state’s central email list, making the communications challenge more acute. Not only did over 78,000 employees need to be made aware of the re-enrollment and premium holiday, but their selections had to be processed in a six-week period in order for employees to have their health plan ID cards in time for July 1.







GIC staff put together a comprehensive plan to make sure the program was a success:

- ◆ ***Comprehensive communications campaign:*** GIC staff developed and implemented a comprehensive communications campaign including outreach by GIC Benefit Coordinators and union officials: five home mailings complemented by email, website, press releases, pay advice messages, and 14 health fairs, three of which included sign language interpretation services.
- ◆ ***Customized re-enrollment forms:*** The employees' role was simple: check the plan they wanted and sign a form. The form included a bar code to be scanned into the GIC's system for expedited processing. A similar form was pre-populated into laptop computers at health fairs to enable employees to sign up there.
- ◆ ***GIC Benefit Coordinator training and reports:*** Over 700 benefit coordinators attended one of the five training sessions the GIC held across the state prior to enrollment beginning. They received customized reports of their employees who were going to be required to re-enroll to help them track their re-enrollments. After the enrollment ended, GIC staff worked with the Coordinators to chase down missing forms before the final default file and mailing ran.

***The results of these efforts were a tremendous success:***

- ◆ Over 99% of state employees re-enrolled in health insurance as required; fewer than 600 employees did not receive the premium incentive and only a little over 500 employees were defaulted to the GIC's lowest cost statewide plan as over 80 of the 600 employees were previously enrolled in this plan.
- ◆ Over 30% of state employees selected a limited network plan, up from 19% before the open enrollment;
- ◆ State employees who enrolled in a limited network plan saved on average over \$600 for an individual and over \$1,400 for a family plan;
- ◆ Almost four times the number of active and retired employees (more than 15,800 total) weighed their options and chose to change plans compared with the previous year; and
- ◆ The Commonwealth's projected Fiscal Year 2012 savings from this initiative are over \$20 million. The GIC's costs were projected to rise 4.0% without the re-enrollment and incentive to join a limited network plan. Because the enrollment in limited network plans increased so dramatically, the GIC's overall projected FY12 cost increase is estimated at 2.4%.



## THINGS ARE ONLY IMPOSSIBLE UNTIL THEY'RE NOT

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### **Clinical Performance Improvement Initiative**

The GIC continued to be on the forefront of raising awareness about differences in provider quality and costs. With the GIC's Clinical Performance Improvement (CPI) Initiative, which began in 2004, members receive an incentive, through lower copays, to see physicians with the highest quality and/or cost-efficiency scores:

- ★★★Tier 1 (excellent)
- ★★Tier 2 (good)
- ★Tier 3 (standard)

During our seventh year of this important program, the software used for evaluating physicians' performance was upgraded, improving the physician scoring process and its accuracy. This year was also the first full year to include two years of quality data in the analysis, meaning that a greater number of physicians could be scored. Although providers, particularly physicians, have not welcomed this program, the continued work of GIC staff with the Physician Advisory Committee and improvements to the accuracy of the data, have helped to allay many of their concerns.

### **Leapfrog Hospital Safety Reporting**

Leapfrog, a coalition of large employers and payers across the United States, reports hospital patient safety and outcome measurements in an effort to reduce medical errors at hospitals. The GIC was the first New England governmental organization to join when we did so in Fiscal Year 2001 and since that time we have helped to support Leapfrog's efforts to provide this valuable information to patients.

The GIC's Executive Director reached out to the ten non-reporting Massachusetts hospitals to encourage them to report their patient safety results. These efforts helped generate an 88.4% response rate, the second best in the country (only Maine had better results).

### **Federal Health Care Reform**

The federal Patient Protection and Affordable Care Act (PPACA) includes many provisions that affect the GIC and our members. GIC staff sifted through the regulations to identify options, costs and deadlines under the new law. During Fiscal Year 2011, a number of programs were rolled out in compliance with these provisions:

#### ***Grandfathering Most Health Plans or Rolling Out Expanded Coverage for FY12***

Staff analyzed the costs and programmatic complexities of grandfathering the GIC's health plans, which would enable a delay of expanding coverage under PPACA, but would also limit the ability to materially change benefits or premiums. Although the first year costs of expanding coverage were estimated to add up to 3% to fiscal year 2012 premiums, the Commission elected to implement health reform fully and not to grandfather eligible health plans. This decision supported Massachusetts' leadership on health care reform, allowed greater flexibility in benefit design and contribution ratios in a tough budget environment, helped simplify administration and communication of benefits, and engendered goodwill from members.

#### ***Mental Health Parity***

The GIC has historically offered rich mental health benefits and was on the forefront of mental health parity, treating mental health benefits similarly to medical benefits. Our initiative served as a model for mental health parity at the state level. Under federal health care reform, an additional change was made: mental health benefits must share a calendar year deductible with medical benefits. The Commission voted to make this change and staff worked extensively with our mental health vendor, United Behavioral Health, and the two plans for which mental health benefits are carved out, UniCare and Tufts Health Plan, to exchange data and to implement this change.



## ***Dependents Age 19 to 26***

Under Massachusetts Health Care Reform, the GIC had expanded dependent ages 19 to 26 coverage. Federal health care reform expanded coverage further, barring an IRS distinction or a two-year rule for children, stepchildren, adopted children, and eligible foster children. GIC staff developed procedures and made programming changes to enroll these added dependents, while still maintaining state rules for dependents who did not meet the federal definition of dependent. An open enrollment was held during the spring annual enrollment period to enroll these dependents and over 5,000 dependents were enrolled during this time for coverage effective July 1, 2011.

## ***Appeals***

Federal health reform required the implementation of an external appeals process for the GIC's self-insured plans. The GIC's insured plans, primarily the HMOs, already had an external appeals process in place. One benefit of this was that GIC staff would no longer need to conduct appeals. However, the new external appeals process was expected to further add to costs. The GIC worked with its plans to implement this change for July 1, 2011, while putting in place reports and procedures to help guard against cost spikes.

## ***Preventive Care***

The GIC rolled out a benefit enhancement for July 1, 2011, in compliance with federal health reform. Preventive services, such as mammograms, scheduled immunizations, routine physical and OB/GYN visits, colorectal cancer screening, and cholesterol screenings for adults, would no longer have a copay or be subject to the calendar year deductible. Similar changes were made to the Medicare plan benefits effective January 1, 2011.

## ***Early Retiree Reimbursement Program***

To encourage employers to continue to offer benefits to early retirees (from age 55 years to 65) who were not yet

eligible for Medicare, the federal government offered a reimbursement program for some of the costs of these members' claims. The reimbursements may be used to reduce the employer's health benefit premiums or costs, and/or reduce costs for plan participants. The regulations required that a separate account be set up for these funds as they cannot be used for any other purpose. A total of \$5 billion across all employers is available and, once depleted, the program will end. As the data required for this program is housed at both

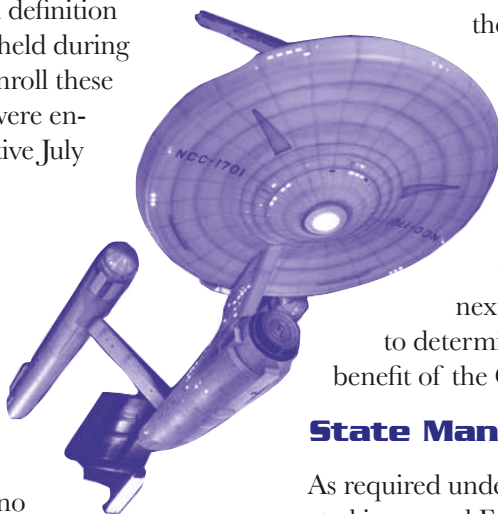
the health plans and the GIC, staff worked with its six health plan vendors to coordinate and submit accurate and timely data. The first application was filed and approved in Fiscal Year 2011 and the GIC received its first reimbursement of \$5.8 million during the fiscal year. Work continues on submitting the next set of data before the program ends and to determine how the funds will be used for the benefit of the GIC and its non-Medicare members.

## ***State Mandates***

As required under state law, the GIC successfully implemented improved Early Intervention Services for its HMOs during the fiscal year. Additionally, the Autism law mandates were reviewed during the fiscal year and adopted for July 1, 2011.

## ***Reimbursement Project***

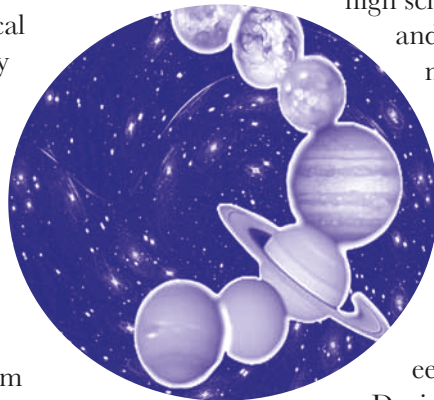
In exchange for furloughs and other concessions, the Human Resource Division offered certain state employees and managers under the Executive Branch a reimbursement of the difference employees paid for copays after the February 1, 2010, mid-year GIC benefit changes, as well as charges incurred for the new calendar year deductible. To implement this program, data from the GIC's health plans was needed for each of the eligible employees. Multiple data hurdles for this program occurred throughout the year, and staff collaborated with our health plans, the Office of Employee Relations, the Comptroller, Information Technology Division, and Administration and Finance to work through the challenges of this program.





## Additional Municipal, Transportation and Sheriff Department Members

As part of the steps taken to restore fiscal health to the City of Lawrence, emergency legislation passed in Fiscal Year 2010 that required a study to determine whether or not the city would save money by joining the GIC's health insurance. The study estimated significant savings and over 3,000 city enrollees joined for coverage effective November 1, 2010. The GIC worked with the city and its overseer to work out the details on premium contributions and retired teacher conversions before the enrollment period. Staff produced special communications, including a customized *Benefit Decision Guide*, conducted benefit, procedural, and billing training



for the human resource staff, worked with the city's systems staff to receive data feeds, held a health fair at the city's high school that was well attended, collected forms and documents, followed up on incomplete or non-received enrollments, and entered the changes into our eligibility system to make this transition as smooth as possible.

Simultaneously, the GIC conducted an open enrollment for the 550 remaining Suffolk County Sheriff Department employees whose collective bargaining agreement expired after the other employees came in under county sheriff reform.

During the spring annual enrollment, another 1,800 employees and retirees from the consolidation of the transportation departments joined for coverage effective July 1, 2011.

## MAKE IT SO

### Medical Home Progress

The GIC and our health plans made big strides in making Medical Home programs available to GIC members. Medical homes, which provide comprehensive, accessible, coordinated, family-centered, and compassionate care, offer many services that improve the care received. Care is coordinated, scheduling options are improved with expanded hours, and patient tracking and electronic prescribing help reduce errors and improve efficiencies. Of particular note, Health New England offered medical home programs to over 4,200 GIC members who receive their care at Riverbend Medical Group and Valley Medical Group. UniCare provided medical home programs to over 1,500 members who received care at Acton Medical Associates and Pittsfield Family Practice Associates. Work continues to expand access to these innovative programs within these two plans and our other four carriers.

### Flexible Spending Account Enrollment Increases

The GIC continued to work with its pre-tax program vendor, Benefit Strategies, to encourage state employees to take advantage of these money-saving programs. Through the GIC's pretax programs, employees can set aside funds on a pre-tax payroll deduction basis to pay for out-of-pocket health care expenses and/or dependent care expenses. On average, employees save \$250 for every \$1,000 contributed, depending on their tax bracket. Through the GIC's newsletter, website, emails to employees and payroll coordinators, breakfast meetings with coordinators, posters, and pay advice messages, enrollment *jumped eight percent* over the previous calendar year.





## **Benefit Statements Expanded to Municipal Members**

Incorrect birth date and other incorrect data received from the municipalities were affecting municipal members' receipt of important life event changes that affect GIC benefits, such as turning age 65. To solve these concerns, the GIC rolled out new customized benefit statement for all municipal enrollees similar to the annual benefit statements state members get to update their records.

## **Life Insurance and GIC Vision Carriers**

The contracts with the GIC's life insurance vendor and our vision carrier for the GIC Dental/Vision plan were expiring at the end of June 2011. During the fiscal year, the GIC went out to bid for both carriers. After a competitive bidding process for both programs, the GIC elected to award new contracts to both of its incumbents: The Hartford for life insurance and Davis Vision for the vision program. Both procurements resulted in savings for members and the Commonwealth, in addition to no disruptions. Basic life insurance rates decreased across the board and optional life rates decreased for most employees. The new contract will also save the Commonwealth \$1.1 million over the program's five years. The new contract with Davis Vision resulted in an 11% FY12 rate decrease for the vision portion of the Dental/Vision plan. It also will offer additional savings to retirees using the retiree vision discount plan, with anticipated savings of over \$608,000 to the members that use the program over a three-year period.

## **Long Term Disability Program Enhancement**

After meeting with Unum, the Long Term Disability administrator, to review claims and other service benchmarks at one of our periodic operational meetings, staff determined that the benefits could be enhanced without any change to premiums for the last year of the contract. A benefit enhancement was rolled out for disabilities occurring on or after July 1, 2011, increasing benefits from 50% to 55% of the employee's gross monthly salary.

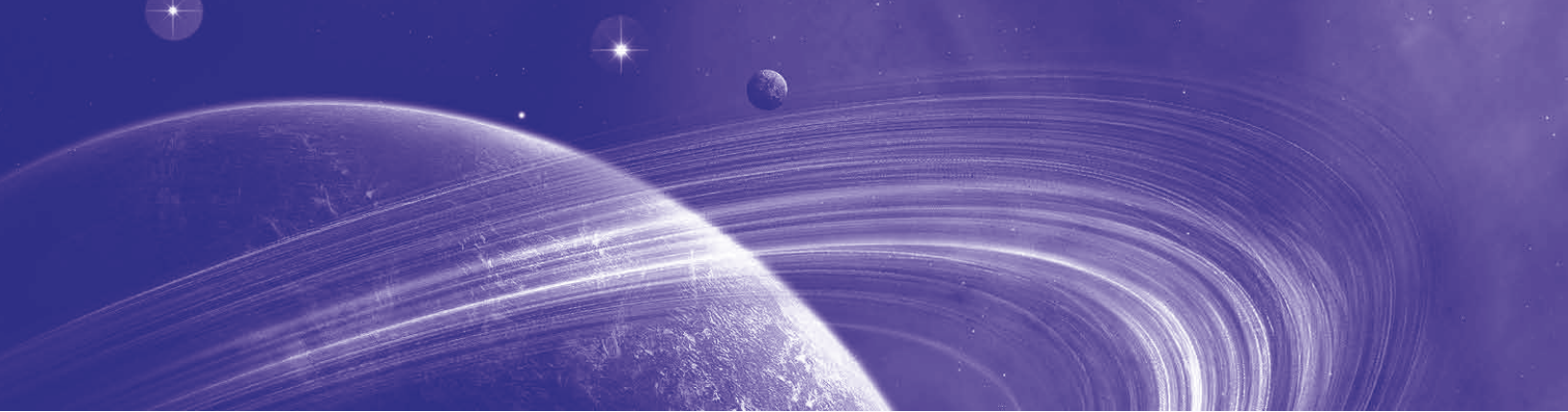
## **Wellness Pilot and Chapter 288**

The GIC offered a weight loss pilot program called WellMASS during the fall, winter and spring at Boston's McCormack Building. The program included weekly weigh-ins, and speakers who provided tips on diet, nutrition, fitness, weight loss strategies and motivation techniques. During the first part of the program, financial incentives ranged from \$50 to \$100 for the biggest weight loss. These incentives increased to \$75 to \$150 for the winter/spring session. Total weight loss across all 86 participants who stayed through the duration of the program was 854 pounds. Participants lost between 1.93 and 13.8 percent of their total body weight. The GIC received support from our health plans to help this program be the success it was.

Although very successful and well received, WellMASS was a labor intensive program. The GIC began researching how to offer the best of this program to a wider group of enrollees in a more scalable manner. Chapter 288, new small business legislation, requires the GIC to establish such a program and federal funds were available to help pay for it. A Request for Information (RFI) was issued during Fiscal Year 2011 for the purpose of gathering further industry information and to better understand wellness program offerings. After this phase was complete, the GIC established a procurement team and issued a full Request for Response for wellness program administration for Fiscal Year 2012 implementation.

## **MAGIC Upgrade**

Work on upgrading the GIC's critical eligibility, enrollment and reporting system (MAGIC) continued throughout the fiscal year. A new vendor application was rolled out early in the fiscal year. A web-based application for GIC Coordinators was developed, which will be particularly helpful for the over 120 offline agencies that do not have an interface with the GIC. This new system will allow them to enter employee election and status changes into the system. An online billing system currently under development will reduce the need for mailing large monthly billing rosters, improving efficiency and member confidentiality. Another upgrade under way is to combine the life insurance claims system with the MAGIC system, which will eliminate duplicate entries in different systems.



## MIND MELD

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**C**ollaborating with others in the health care industry has never been more important as we navigate ahead during these uncertain times. Federal health care reform, rising health care costs, disparities in provider costs and quality, and continued challenges for the state's budget continue to pose challenges and we do our best steering by sharing knowledge with others. The GIC's Executive Director served as a board member of the following organizations:

### National

- ◆ As President-Elect for the National Committee for Quality Assurance (NCQA) Board of Directors and a member of its Accountable Care Organization Task Force – the accrediting organization for managed care plans, physicians, and medical homes.
- ◆ As a Principal of the Hospital Quality Alliance – multi-stakeholder group that reviews hospital quality data and advises the Centers for Medicare and Medicaid on reporting.
- ◆ Milibank Foundation Advisory Committee – publishes health care research.
- ◆ National Quality Forum and its Measure Applications Partnership – advises the federal Secretary of Health and Human Services on hospitals, patient safety, and quality measurement.
- ◆ Disclosure Leadership Team – purchasers and consumers pressing for use of and reporting of physician quality and cost measurements.
- ◆ Catalyst for Payment Reform – a founding member of this organization led by health care purchasers

devoted to improve quality and reduce costs by identifying and coordinating workable solutions to how we pay for health care in the U.S.

### State

- ◆ Massachusetts Health Connector Authority – Massachusetts exchange that runs Commonwealth Care and Commonwealth Choice and implemented Chapter 58, the Massachusetts health reform law.
- ◆ Massachusetts Health Care Quality and Cost Council – provides information to the public about health care quality and cost.
- ◆ Institute for Clinical and Economic Review (ICER) Advisory Committee – appraises the clinical effectiveness and comparative value of new and existing health care interventions.
- ◆ Massachusetts Health Data Consortium – supports efforts to improve health care quality and cost through health data and technology.

Other GIC staff are also involved in collaborating with others to implement national and state health reform legislation (Federal Health Care Reform Implementation Working Group, Small Business/Chapter 288 Implementation Group, Health Care Security Trust, and Department of Transportation Team Lead Steering Committee), reducing health care fraud (Anti-fraud Provider Group), consolidating databases and Information Technology (Inter-Agency Analytic Group, 2011 IT Plan, and All-Payer Claims Database) and increasing the number of medical home programs (Primary Care Medical Home Initiative). The GIC also continues to be active in the New England Employee Benefits Council.

## STARDATE FY12 AND BEYOND

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Only one thing is known for sure as we navigate ahead; there are a lot of unknown galaxies out there. The fiscal outlook for the state continues to be bleak and health care cost increases, while abating slightly, still continue to outpace inflation. Federal health reform adds new mandates for communication and an auto-enrollment feature, which will add costs and challenge our systems platform and the over 240 payroll systems with which we interface. The Fiscal Year 2012 budget includes an entry provision for municipalities to join the GIC with four enrollment cycles during the fiscal year. Additional members from transportation are also expected to join the GIC during the fiscal year.

The GIC will be working to ensure that the all-payer claims database includes the data and response timing that

we need for our important initiatives, particularly the Clinical Performance Improvement Initiative. Refinements and improvements of this program and enhancing the access of limited networks while keeping costs affordable also continue. Work continues on our critical MAGIC eligibility system upgrade. And, we will forge ahead with procurements and implementations for our Long Term Disability carrier, the new wellness program, audit services consultant, and dental carrier. The cycle will begin again for our health plan procurements as we look ahead into Fiscal Year 2013.

As Spock would say, “Change is the essential process of all existence.” The GIC has a first rate crew

and we are ready for the

next challenges that lie ahead. Spatial anomalies and other impediments to forging ahead will not get in the way of our work with others for the benefit of our members and the taxpayers of the Commonwealth.





# FINANCIAL REPORTS

## GROUP INSURANCE COMMISSION STATEMENT OF EXPENDITURES JULY 1, 2010 - JUNE 30, 2011

DESCRIPTION	COMMONWEALTH	EMPLOYEES
Administration (a)	\$2,335,946	\$0
State Employees and Retirees' Basic Life Insurance	9,444,402	2,283,426
State Employees' Optional Life Insurance	-	27,981,357
State Employees' & Municipal Health Insurance (b)	1,440,075,572	355,765,743
State Employees' Dental And Vision for Managers, Legislators,	8,071,373	1,602,923
Long Term Disability For State Employees	-	12,733,707
Elderly Governmental Retirees' Health Insurance (c)	430,181	70,536
Retired Municipal Teachers' Life Insurance	874,478	191,679
Retired Municipal Teachers' Health Insurance	65,223,062	14,989,318
Retirees' Dental Insurance	-	6,805,279
<b>TOTAL EXPENDITURES</b>	<b>\$1,526,455,014</b>	<b>\$422,423,968</b>

(a) Plus an additional \$806,525 from employees' trust funds which were used to pay administrative costs such as postage, telephone and supplies, that are included on the next two statements; and \$923,898 from communities participating in the GIC's Health Insurance Programs to cover the additional administrative costs.

(b) Medical and prescription drug co-payments and deductibles for FY11 totaled approximately \$203.4 million.

(c) The EGR share includes \$15,711 from the EGR Trust Fund and \$13,058 from the EGR Rate Stabilization Reserve. These amounts are subsidies to these retirees' premiums.

## GROUP INSURANCE COMMISSION STATEMENT OF REVENUES JULY 1, 2010 - JUNE 30, 2011

SOURCE OF REVENUE	COMMONWEALTH REVENUE
Housing, redevelopment, and other authorities	\$101,001,913
Cities, towns, districts and other local governmental units participating in the GIC municipal health program	270,953,041
Cities, towns and districts participating in the Retired Municipal Teachers' Program and the Elderly Governmental Retirees' Program	68,284,218
Federal and Trust Fund chargebacks to state agencies	276,862,552
Charges to state agencies for insureds who are on leave of absence over one year	365,398
Federal reimbursement subsidy for Medicare Part D Program	22,755,801
Other income	9,776,419
<b>Total Revenue Credited to Commonwealth's General Fund</b>	<b>\$749,999,342</b>

# FINANCIAL REPORTS

## GROUP INSURANCE COMMISSION SUMMARY OF EXPENSES AND REVENUE JULY 1, 2010 - JUNE 30, 2011

Total Expenditures	\$1,526,455,014
Total Revenue	(749,999,342)
Net Commonwealth Expense	\$776,455,672

## RATE STABILIZATION RESERVE STATEMENT JULY 1, 2010 - JUNE 30, 2011

RESERVE	BEGINNING BALANCE	RECEIPTS	EXPENDITURES	ENDING BALANCE
Basic Life	\$3,143,974	\$9,601	\$0	\$3,153,576
Optional Life	23,815,254	67,862	1,100,000	22,783,117
Employee Health	74,390	227	-	74,618
Elderly Governmental Retiree Health	233,092	35,051	13,058	255,085
Retired Municipal Teacher Life	109,478	334	-	109,812
Retired Municipal Teacher Health	9,061,346	6,065,264	-	15,126,610

## EMPLOYEES' TRUST FUND STATEMENTS JULY 1, 2010 - JUNE 30, 2011

	BEGINNING BALANCE	RECEIPTS	EXPENDITURES	ENDING BALANCE
State Employees' Trust Fund	\$4,080,630	\$52,837	\$806,525	\$3,326,943
Elderly Governmental Retirees' Trust Fund	168,447	449	15,711	153,185
Retired Municipal Teachers' Trust Fund	-	-	-	-

# TREND REPORTS

## HEALTH PLAN MEMBERSHIP BY INSURED STATUS 2011

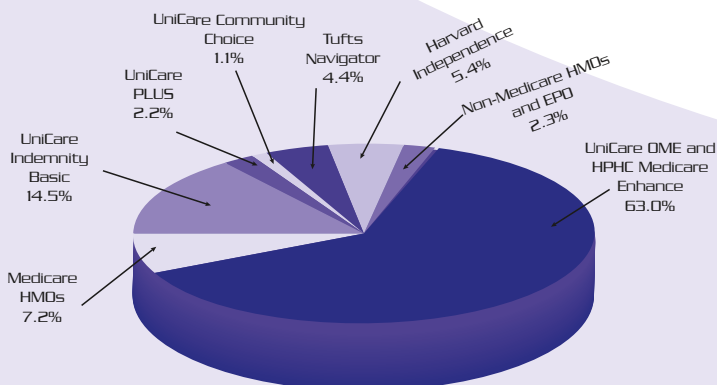
	TOTAL ACTIVE*	TOTAL RET & SUR	TOTAL EGR&RMT	TOTAL ENROLLEES	TOTAL DEPENDENTS	TOTAL LIVES
UniCare Indemnity Plan Basic	11,219	10,898	3,597	25,714	19,531	45,245
UniCare PLUS	8,634	2,158	0	10,792	13,574	24,366
UniCare Community Choice	7,157	1,135	0	8,292	10,234	18,526
UniCare Medicare OME	19	49,980	6,762	56,761	0	56,761
Fallon Community Health Plan Direct	1,606	162	17	1,785	1,681	3,466
Fallon Community Health Plan Select	3,299	450	108	3,857	5,415	9,272
Fallon Medicare Senior Plan	2	939	57	998	0	998
Harvard Pilgrim Independence Plan	25,444	5,427	0	30,871	41,257	72,128
Harvard Pilgrim Primary Choice Plan	1,983	218	0	2,201	2,839	5,040
Harvard Pilgrim Medicare Enhance Plan	1	6,283	54	6,338	0	6,338
Health New England	6,858	984	185	8,027	9,859	17,886
Health New England Medicare MedPlus	0	1,058	108	1,166	0	1,166
Neighborhood Health Plan	1,527	87	41	1,655	1,592	3,247
Tufts Navigator Plan	30,834	4,406	0	35,240	48,962	84,202
Tufts Spirit Plan	516	38	0	554	500	1,054
Tufts Medicare Preferred	0	2,208	60	2,269	0	2,269
Tufts Medicare Complement	1	2,702	74	2,776	0	2,776
Total Basic Indemnity Plan	11,219	10,898	3,597	25,714	19,531	45,245
Total PPO-Type Plans	72,069	13,126	0	85,195	114,027	199,222
Total HMO-Type Plans	15,789	1,939	351	18,079	21,886	39,965
Total Medicare Indemnity Plans	20	56,263	6,816	63,099	0	63,099
Total Medicare HMO Plans	3	6,907	299	7,209	0	7,209
TOTAL-ALL	99,100	89,133	11,063	199,296	155,444	354,740

\*Active enrollment includes enrollment figures for enrollees with IRS or non-IRS dependent coverage.

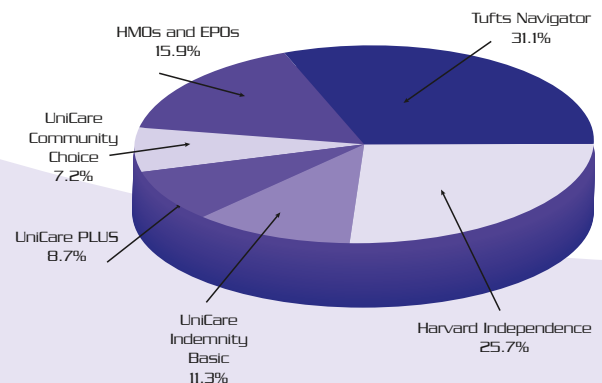
Source: Pool I Age/Sex Composition Analysis, Fiscal Year 2011 and Pool II Age/Sex Composition Analysis, Fiscal Year 2011.

## FY 2011 ENROLLMENT

Retirees and Survivors by Plan Type - FY 2011



Active Employees by Plan Type - FY 2011

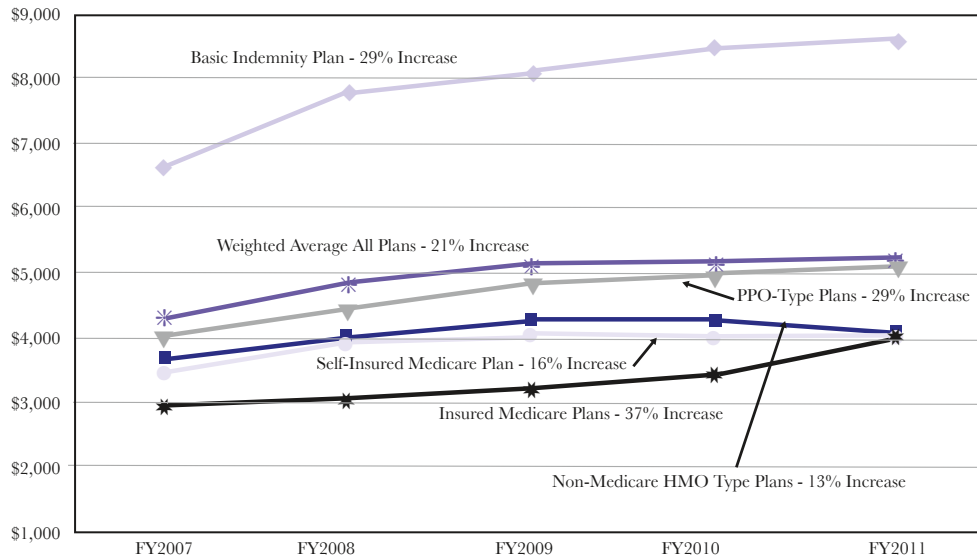




# TREND REPORTS

## COST PER CAPITA

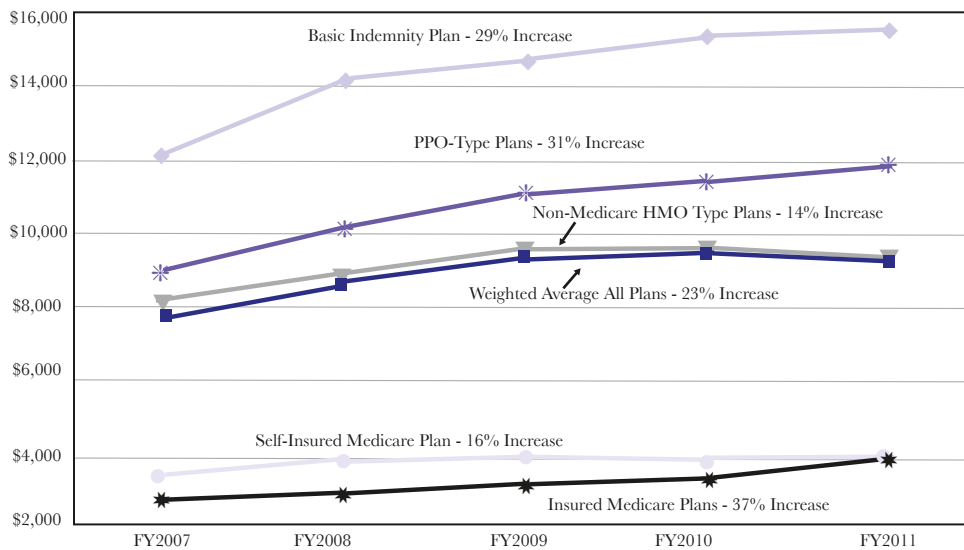
(Total State and Employee/Retiree)



- The PPO/POS Plans include UniCare PLUS and Community Choice plans, Harvard Pilgrim POS/Independence Plan, and Tufts Navigator.
  - Non-Medicare HMO-Type Plans include Fallon Direct and Select, HPHC Primary Choice, Health New England, NHP Care, and Tufts Spirit.
  - Does not include EGRs, RMTs, or enrollees' out of pocket expenses.
- Source: Pool 1 Age/Sex Composition Analysis, Fiscal Year 2011.

## COST PER SUBSCRIBER (ENROLLEE)

(Total State and Employee/Retiree Share)



- The PPO/POS Plans include the UniCare PLUS and Community Choice plans, the HPHC POS/Independence plan, and Tufts Navigator.
  - Non-Medicare HMO-Type Plans include Fallon Direct and Select, HPHC Primary Choice, Health New England, NHP Care, and Tufts Spirit.
  - Does not include EGRs, RMTs, or enrollees' out of pocket expenses.
- Source: Pool 1 Age/Sex Composition Analysis, Fiscal Year 2011.

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